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Before the
Federal Communications Commission
Washington, D.C. 20554FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

Communications Assistance for Law)

Enforcement Act: Revenue Estimates of)

Five Manufacturers)

CC Docket No. 97-213

**COMMENTS
OF THE
UNITED STATES TELEPHONE ASSOCIATION**

The United States Telephone Association (USTA) respectfully submits its comments in the above-referenced proceeding. USTA is the principal trade association of the local exchange carrier (LEC) industry. Its members provide over 95 percent of the incumbent LEC-provided access lines in the U.S. USTA's member companies are subject to the requirements of the Communications Assistance for Law Enforcement Act (CALEA).

In a Public Notice released May 7, 1999, the Office of Engineering and Technology (OET) has requested comment on revenue data estimates supplied by five manufacturers. In its Reply Comments filed January 27, 1999, USTA explained the importance of the type of cost information contained in the Public Notice. Cost considerations, such as the revenue estimates filed by the five manufacturers, are an essential component in determining how the assistance capability requirements of Section 103 are to be met. Section 107 of CALEA requires that, in the event that an industry standard or technical requirements are found to be deficient, new technical standards may be established which 1) meet the assistance capability requirements of Section 103 *by cost efficient means*; 2) protect the privacy and security of communications not authorized to be intercepted; 3) *minimize the cost* of such compliance on residential ratepayers;

4) serve the policy of the United States to encourage the provision of new technologies and services to the public; and, 5) provide a reasonable time and conditions for compliance with and the transition to any new standard, including defining the obligations of telecommunications carriers under Section 103 during any transition period. The Commission does not have the authority to ignore these criteria in its deliberations as the Department of Justice (DOJ) has suggested.

USTA has expressed its concern regarding the absence of information on the record as to the manufacturers' costs and joined with the other industry trade associations in requesting that Attorney General Reno provide cost information to the Commission which it has obtained from some manufacturers. Unfortunately, the DOJ has refused to make that information part of the record in this proceeding, attempting to argue instead that cost is not relevant. While USTA understands the proprietary nature of some of this data, the Act requires that cost information be considered. Therefore, the Commission must use whatever means it can to collect and utilize cost data such as that provided in the Public Notice.

USTA appreciates OET's observation that the revenue estimates supplied by the manufacturers do not represent all CALEA-related software and equipment revenues anticipated by them, do not include all manufacturers and are not readily comparable because they are based on differing assumptions and differing methodologies. The fact is, these estimates are very conservative, but provide a basis for understanding how expensive implementation of CALEA will be. Carriers have placed on the record estimates of the additional capability and capacity costs which carriers will incur to implement CALEA. Such costs include the additional software and hardware costs to support the software functions and delivery of surveillance as well as training and installation. If the capability is provided over several software loads or carriers must

purchase additional software loads due to the vintage of the switch, costs will be higher.

Hardware costs to achieve CALEA solutions will vary widely depending upon the architecture of the switch. Capacity costs may include hardware costs, although the degree will be dependent upon the type of switch. The hardware costs of implementing the different punch list items also will vary. For example, dialed digit extraction is extremely hardware intensive and therefore the hardware costs of this items will be much higher than for other punchlist items. Overall, the total costs to implement CALEA will far exceed the estimates contained in the Public Notice, which already exceed the amount appropriated by Congress.

The revenue estimates contained in the Public Notice are necessary to Commission consideration of the standards issues before it in this proceeding. The Commission must recognize that these estimates represent only a portion of the costs which carriers will be forced to incur if the punchlist items are adopted by the Commission and included in the J-STD-025.

Respectfully submitted,

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